

Translated version

Analysis Material for 1Q, FY ending March 2023

Takamatsu Construction Group Co.,Ltd.
Securities Code : 1762

August 9, 2022

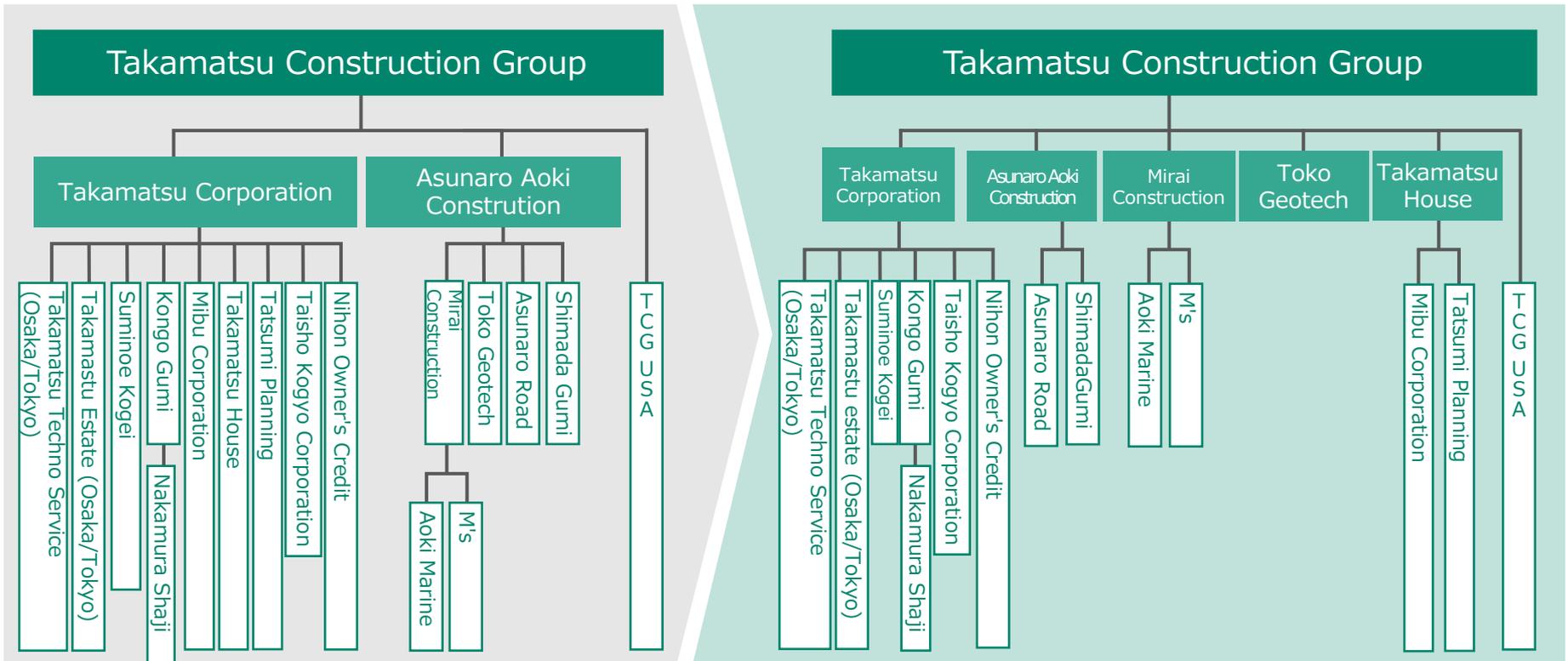
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Financial results for 1Q, FY ending March 2023

Group Reorganization

- ◆ We reorganized our group companies to strengthen our group's governance and pursue synergies.
- ◆ We made Mirai Construction, Toko Geotech and Takamatsu House subsidiaries which were sub-subsidiaries of us, and we reorganized core company structure from 3 to 6 companies, from Takamatsu Construction Group, Takamatsu Corporation and Asunaro Aoki Construction to Takamatsu Construction Group, Takamatsu Corporation, Asunaro Aoki Construction, Mirai Construction, Toko Geotech and Takamatsu House.



Group Formation

◆ The new group formation is as follows.

The collage features five main vertical sections, each with a background image and overlaid text:

- Section 1 (Left):** Background image of a modern building. Text includes:
 - Takamatsu Techno Service (Osaka/Tokyo)
 - Takamatsu Estate (Osaka/Tokyo)
 - Takamatsu Corporation** (with Takamatsu logo)
 - Suminoe Kogei
 - Kongo Gumi
 - Iriso Kogyo Corporation
 - Nakamura Shaji
 - Nihon Owners Credit
- Section 2:** Background image of a dam. Text includes:
 - Asunaro Aoki Construction** (with Asunaro Aoki logo)
 - Asunaro Road
 - Shimada Gumi
- Section 3:** Background image of a ship. Text includes:
 - Mirai Construction** (with MIRAI logo)
 - Aoki Marine
 - M's
- Section 4:** Background image of a highway interchange. Text includes:
 - Toko Geotech** (with Toko Geotech logo)
- Section 5 (Right):** Background image of a modern house. Text includes:
 - Takamatsu House** (with House logo)
 - Mibu Corporation
 - Tatsumi Planning

At the bottom of the collage, there are three main elements:

- Left:** Takamatsu Construction Group logo (a stylized swirl) and the text **Takamatsu Construction Group**.
- Middle:** TCG USA logo (a house icon) and the text **TCG USA**.
- Right:** The text **TCG**.

Situation of Corporate Group(Consolidated)

| Civil Engineering | Architecture | Real Estate | Wooden Detached Housing | Main Market |
|---|----------------------------------|--------------------------|-------------------------|--------------------|
| | Takamatsu Corporation | | | Tokyo・Nagoya・Osaka |
| | Takamatsu Techno Service (Osaka) | | | Osaka |
| | Takamatsu Techno Service (Tokyo) | | | Tokyo |
| | | Takamatsu Estate (Osaka) | | Osaka |
| | | Takamatsu Estate (Tokyo) | | Tokyo |
| | Suminoe Kogei | | | Japan(nationwide) |
| | Kongo Gumi | | | Tokyo・Osaka |
| | Nakamura Shaji | | | Nagoya |
| | Taisho Kogyo Corporation | | | Osaka |
| | Asunaro Aoki Construction | | | Japan(nationwide) |
| | Asunaro Road | | | Hokkaido |
| | Shimada Gumi | | | Japan(nationwide) |
| | Mirai Construction | | | Japan(nationwide) |
| | Aoki Marine | | | Japan(nationwide) |
| | M's | | | Metropolitan area |
| | Toko Geotech | | | Japan(nationwide) |
| | | | Takamatsu House | Tokyo・Kanagawa |
| | | | Mibu Corporation | Tokyo |
| | | | Tatsumi Planning | Tokyo・Kanagawa |
| | | | TCG USA | USA |
| Takamatsu Construction Group (Pure Holding Company) | | | | |

Change in segmentation

- ◆ In this analysis material, we separate as a new segment, wooden detached housing business, which is growth business.
- ◆ The segmentation in this analysis material is as follows.

| Previous segments | | New segments | |
|-------------------|---|-------------------------|--|
| Architecture | <ul style="list-style-type: none"> • Takamatsu Corporation • Takamatsu Techno Service • Suminoe Kogei • Kongo Gumi • Nakamura Shaji • Tatsumi Planning • Taisho Kogyo Corporation • Asunaro Aoki Construction • Mirai Construction • M's | Architecture | <ul style="list-style-type: none"> • Takamatsu Corporation • Takamatsu Techno Service • Suminoe Kogei • Kongo Gumi • Nakamura Shaji • Taisho Kogyo Corporation • Asunaro Aoki Construction • Mirai Construction • M's |
| Civil Engineering | <ul style="list-style-type: none"> • Asunaro Aoki Construction • Mirai Construction • Toko Geotech • Aoki Marine • Asunaro Road • Simada Gumi • Taisho Kogyo Corporation | Civil Engineering | <ul style="list-style-type: none"> • Asunaro Aoki Construction • Mirai Construction • Toko Geotech • Aoki Marine • Asunaro Road • Simada Gumi • Taisho Kogyo Corporation |
| Real Estate | <ul style="list-style-type: none"> • Takamatsu Corporation • Takamatsu Estate • Takamatsu House • Mibu Corporation • Taisho Kogyo Corporation • Asunaro Aoki Construction • TCG USA | Real Estate | <ul style="list-style-type: none"> • Takamatsu Corporation • Takamatsu Estate • Taisho Kogyo Corporation • Asunaro Aoki Construction • TCG USA |
| | | Wooden Detached Housing | <ul style="list-style-type: none"> • Takamatsu House • Mibu Corporation • Tatsumi Planning |

Performance for 1Q FY ending March 2023 (Consolidated)

◆ Orders received was +15.0% YoY. Net sales was (1.5%) YoY due to lower sales at Mirai Construction and Toko Geotech. The decrease in operating profit is described on page 15 and 16.

(100 million yen)

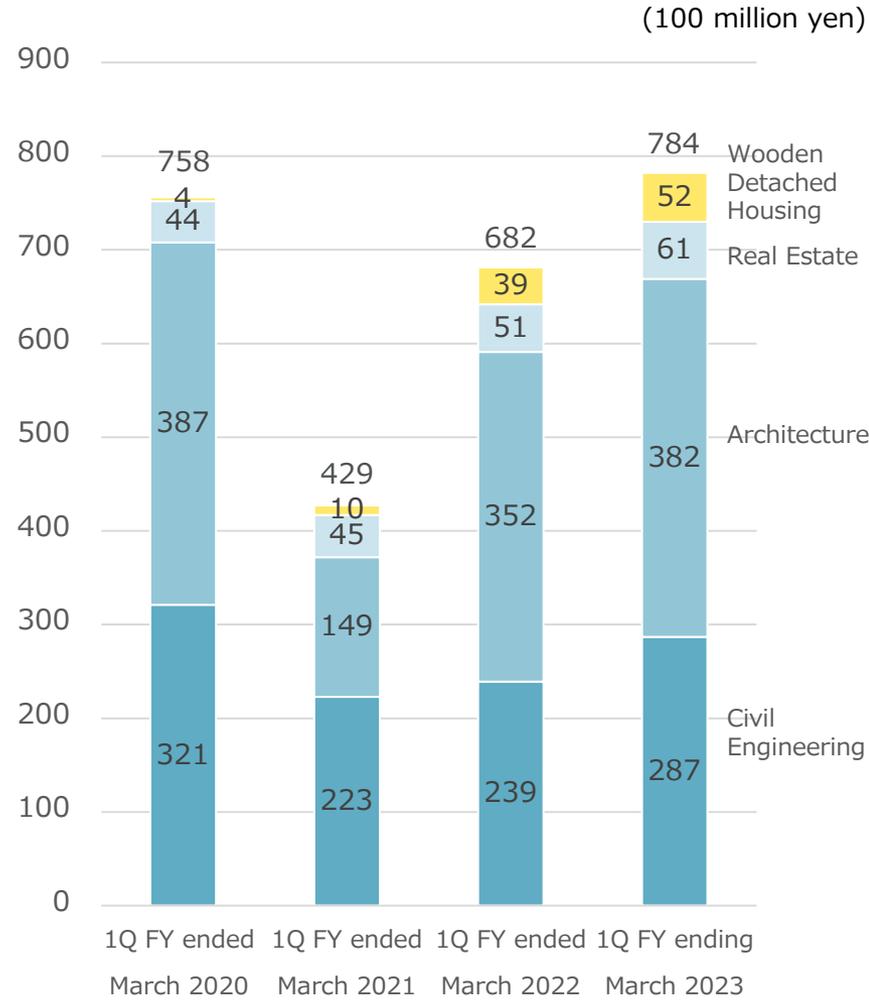
| Item | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 | +/- |
|---|------------------------|------------------------|------------------------|-------------------------|---------|
| Orders received | 758 | 429 | 682 | 784 | +15.0% |
| Net sales | 598 | 661 | 613 | 604 | (1.5%) |
| Gross profit | 74 | 78 | 83 | 76 | (8.3%) |
| Gross profit % | 12.4% | 11.9% | 13.5% | 12.6% | (0.9pt) |
| Operating profit | 13 | 14 | 14 | 3 | (72.8%) |
| Operating profit % | 2.2% | 2.1% | 2.3% | 0.6% | (1.7pt) |
| Ordinary profit | 13 | 13 | 14 | 4 | (68.0%) |
| Ordinary profit % | 2.3% | 2.1% | 2.4% | 0.8% | (1.6pt) |
| Net income attributable to owners of parent | 4 | 6 | 8 | 0.6 | (91.8%) |
| Net income attributable to owners of parent % | 0.7% | 0.9% | 1.4% | 0.1% | (1.3pt) |

Orders received by segments (Consolidated)

- ◆ All segments increased YoY. Wooden Detached Housing Segment was +33.2% YoY.
- ◆ Civil Engineering Segment was +20.4% YoY, because Asunaro Aoki Construction and Mirai Construction's increasing orders have taken large impact.

(million yen)

| By Segments | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|---|------------------------|------------------------|------------------------|-------------------------|
| Civil Engineering | 32,179 | 22,339 | 23,908 | 28,777 |
| Architecture | 38,724 | 14,997 | 35,235 | 38,231 |
| Real Estate | 4,431 | 4,596 | 5,155 | 6,192 |
| Wooden Detached Housing (Takamatsu House Group) | 486 | 1,062 | 3,969 | 5,285 |
| TCG group (Consolidated) | 75,822 | 42,995 | 68,268 | 78,486 |



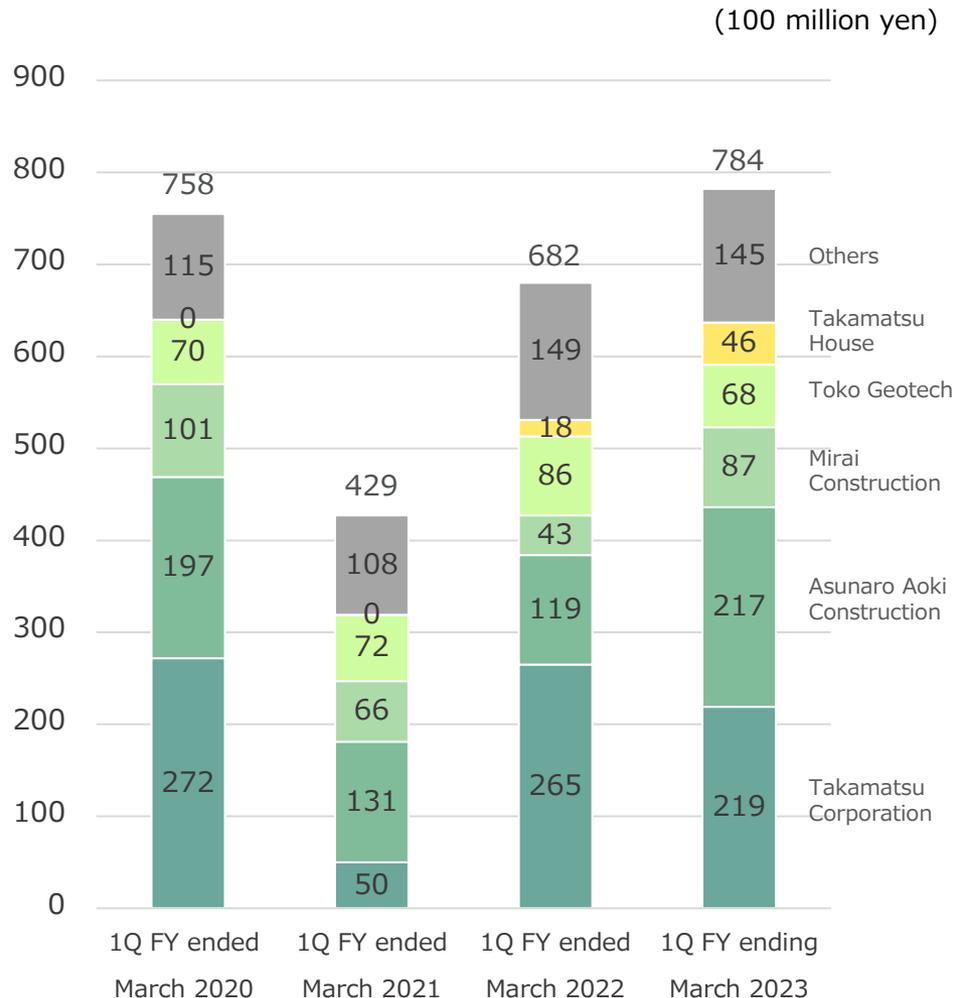
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Orders Received by major operating companies (Consolidated)

- Takamatsu Corporation was (17.2%) YoY. Asunaro Aoki Construction was +82.1% YoY due to orders for large-scale projects such as logistics facilities. Mirai Construction, received steady orders for marine construction projects, which were about double those of the previous year and Takamatsu House received orders about 2.5 times those of the previous year. Toko Geotech was affected by delays tender notice of their eligible construction cases etc., resulting in a 20.8% YoY decline.

| By Operating Companies | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|--|------------------------|------------------------|------------------------|-------------------------|
| Takamatsu Corporation (non-consolidated) | 27,260 | 5,096 | 26,534 | 21,971 |
| Asunaro Aoki Construction (non-consolidated) | 19,789 | 13,156 | 11,963 | 21,788 |
| Mirai Construction (non-consolidated) | 10,146 | 6,691 | 4,331 | 8,700 |
| Toko Geotech (non-consolidated) | 7,046 | 7,246 | 8,636 | 6,837 |
| Takamatsu House (non-consolidated) | - | 4 | 1,854 | 4,603 |
| Others | 11,581 | 10,802 | 14,950 | 14,587 |
| TCG group (Consolidated) | 75,822 | 42,995 | 68,268 | 78,486 |

(million yen)



※The total of individual figures and the total figures may not match due to consolidation adjustments.

Takamatsu Corporation : Orders by Rental Apartments and Non-Residentials

- ◆ Although orders received in both Tokyo and Osaka was below the previous year's level, the progress is steady. Orders of this FY are expected to exceed those of the previous year.
- ◆ Although the ratio of rental apartments to non-residentials in Tokyo was lower than in previous years, the composition of rental apartments and non-residentials for this FY is expected to settle at the same level as in previous years.

Order received by Rental apartments and Non-Residential

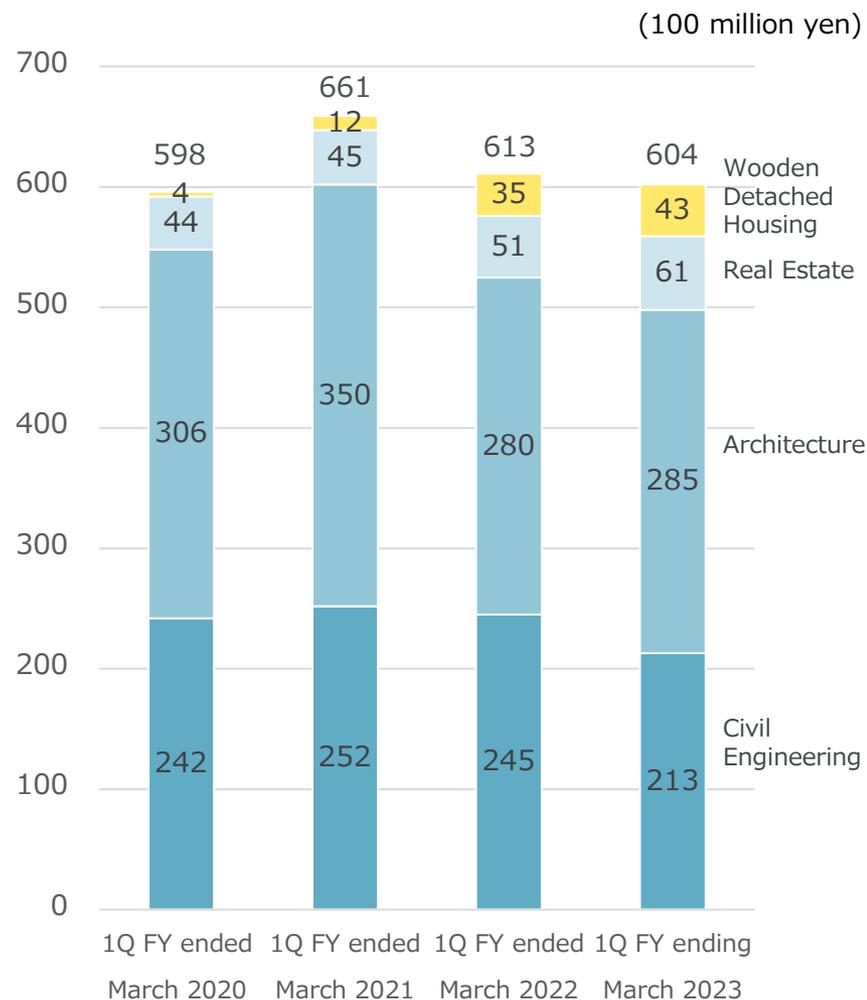
(million yen)

| | Osaka | | | | Tokyo | | | |
|-------------------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | 2022/3 1Q | % | 2023/3 1Q | % | 2022/3 1Q | % | 2023/3 1Q | % |
| Rental Apartments | 4,562 | 45.9% | 3,045 | 34.1% | 12,386 | 74.6% | 12,686 | 97.2% |
| Non-Residentials | 5,379 | 54.1% | 5,882 | 65.9% | 4,209 | 25.4% | 359 | 2.8% |
| Total | 9,941 | 100% | 8,927 | 100% | 16,595 | 100% | 13,045 | 100% |

Net sales by segments (Consolidated)

- ◆ Architecture Segment remained flat. Civil Engineering Segment was (13.2%) YoY due to Mirai Construction, whose net sales were affected by low orders in previous year and Toko Geotech, due to delays in construction starts and progress etc.

| By Segments | (million yen) | | | |
|---|------------------------|------------------------|------------------------|-------------------------|
| | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
| Civil Engineering | 24,261 | 25,200 | 24,557 | 21,312 |
| Architecture | 30,630 | 35,076 | 28,092 | 28,575 |
| Real Estate | 4,431 | 4,596 | 5,155 | 6,189 |
| Wooden Detached Housing (Takamatsu House Group) | 486 | 1,250 | 3,571 | 4,349 |
| TCG group (Consolidated) | 59,810 | 66,123 | 61,377 | 60,427 |



※The total of individual figures and the total figures may not match due to consolidation adjustments.

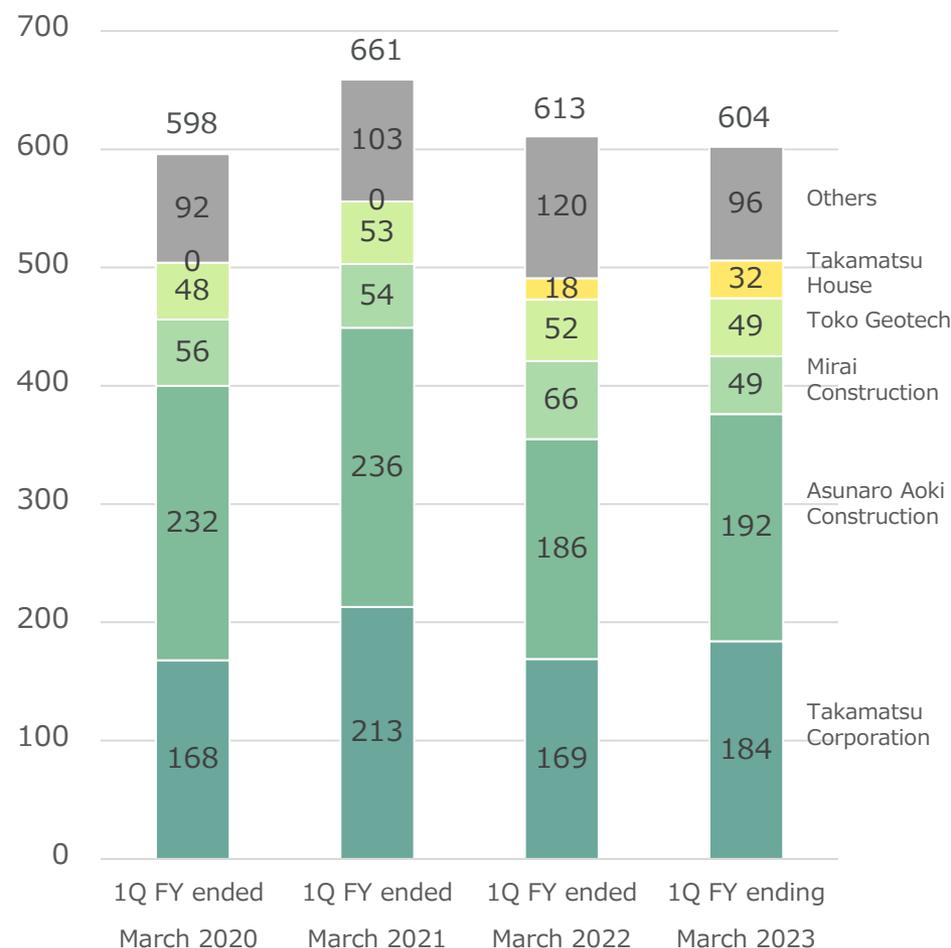
Net sales by major operating companies (Consolidated)

- Net sales of Takamatsu Corporation and Asunaro Aoki Construction increased YoY. Mirai Construction decreased of that due to low orders in previous FY. Toko Geotech decreased of that due to delays in construction starts and progress etc. Takamatsu House's net sales was +73.5% YoY on steady sales growth. Consolidated net sales was (1.5%) YoY, as five major operating companies were unable to offset the decline in net sales at other group companies.

| By Operating Companies | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|--|------------------------|------------------------|------------------------|-------------------------|
| Takamatsu Corporation (non-consolidated) | 16,822 | 21,352 | 16,967 | 18,402 |
| Asunaro Aoki Construction (non-consolidated) | 23,265 | 23,638 | 18,634 | 19,262 |
| Mirai Construction (non-consolidated) | 5,622 | 5,447 | 6,631 | 4,946 |
| Toko Geotech (non-consolidated) | 4,844 | 5,365 | 5,211 | 4,908 |
| Takamatsu House (non-consolidated) | - | 4 | 1,854 | 3,217 |
| Others | 9,257 | 10,317 | 12,080 | 9,692 |
| TCG group (Consolidated) | 59,810 | 66,123 | 61,377 | 60,427 |

(million yen)

(100 million yen)



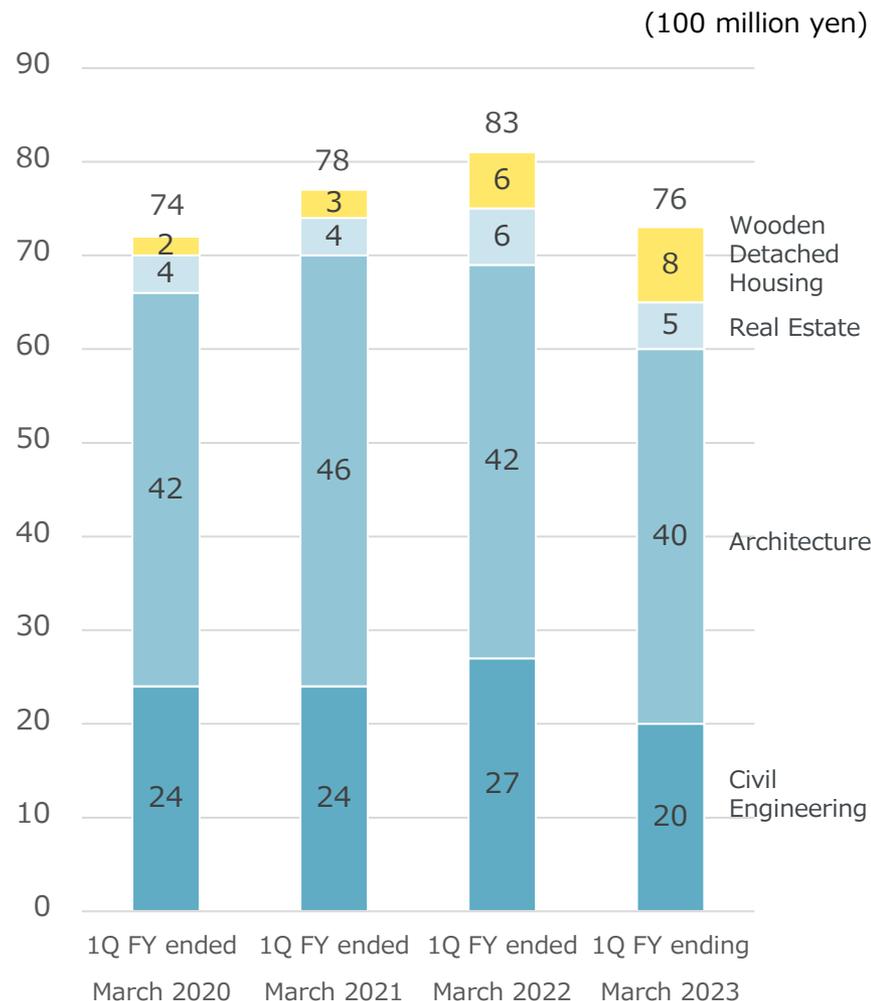
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Gross profit by segments (Consolidated)

- ◆ In Civil Engineering Segment, Asunaro Aoki Construction increased YoY, but Mirai Construction and Toko Geotech was (25.0%) YoY due to declining their net sales. In Architecture Segment, gross profit was (3.7%) YoY, though Asunaro Aoki Construction offset the lower gross profit from Takamatsu Corporation's lower margin and lower net sales at Takamatsu Corporation group companies.

(million yen)

| By Segments | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|---|------------------------|------------------------|------------------------|-------------------------|
| Civil Engineering | 2,426 | 2,443 | 2,760 | 2,071 |
| Architecture | 4,277 | 4,643 | 4,242 | 4,087 |
| Real Estate | 494 | 480 | 628 | 592 |
| Wooden Detached Housing (Takamatsu House Group) | 227 | 313 | 668 | 860 |
| TCG group (Consolidated) | 7,426 | 7,881 | 8,301 | 7,613 |



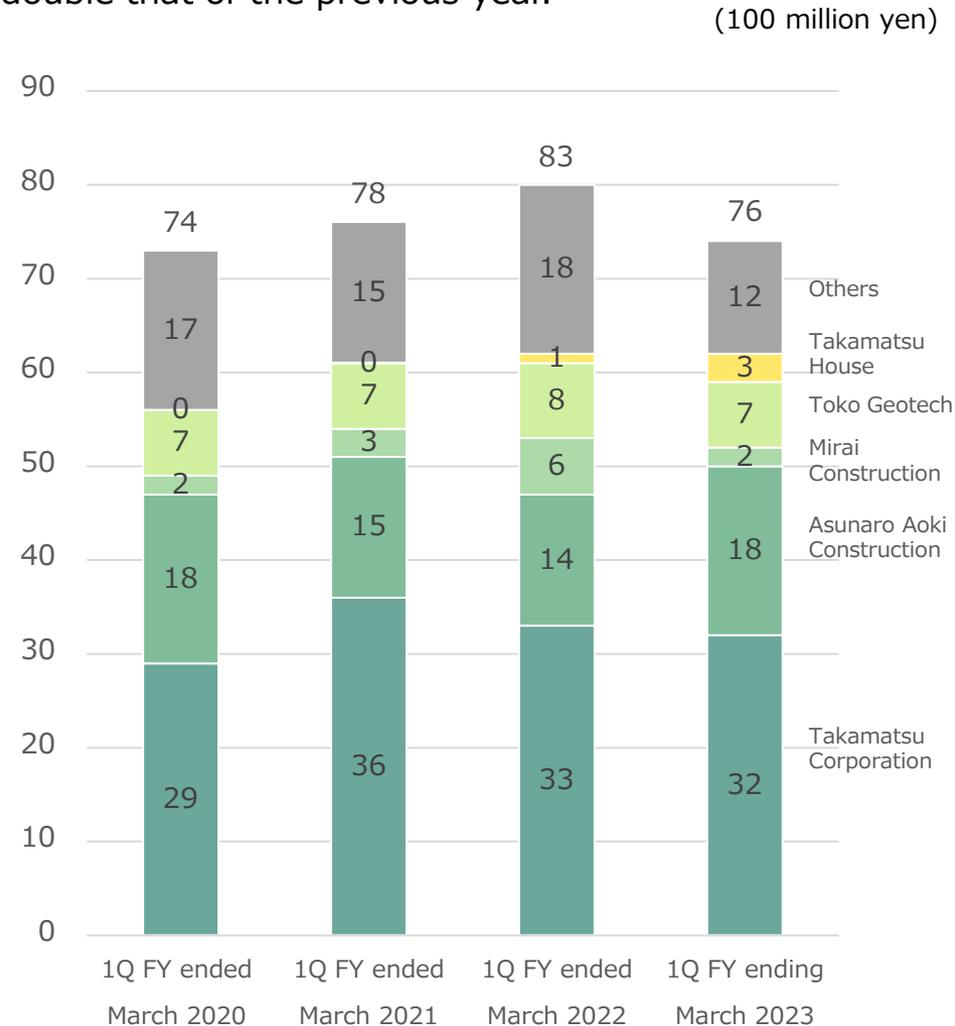
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Gross profit by major operating companies (Consolidated)

◆ Takamatsu Corporation's gross profit was (3.2%) YoY due to lower gross profit margins despite higher net sales. Asunaro Aoki Construction was +23.0% YoY due to some projects with improved profitability at the time of completion of construction. Mirai Construction and Toko Geotech declined gross profit due to lower net sales. Takamatsu House's gross profit was about double that of the previous year.

(million yen)

| By Operating Companies | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|--|------------------------|------------------------|------------------------|-------------------------|
| Takamatsu Corporation (non-consolidated) | 2,909 | 3,622 | 3,323 | 3,217 |
| Asunaro Aoki Construction (non-consolidated) | 1,884 | 1,569 | 1,476 | 1,814 |
| Mirai Construction (non-consolidated) | 219 | 384 | 615 | 248 |
| Toko Geotech (non-consolidated) | 705 | 791 | 884 | 705 |
| Takamatsu House (non-consolidated) | - | 4 | 186 | 393 |
| Others | 1,709 | 1,511 | 1,817 | 1,236 |
| TCG group (Consolidated) | 7,426 | 7,881 | 8,301 | 7,613 |



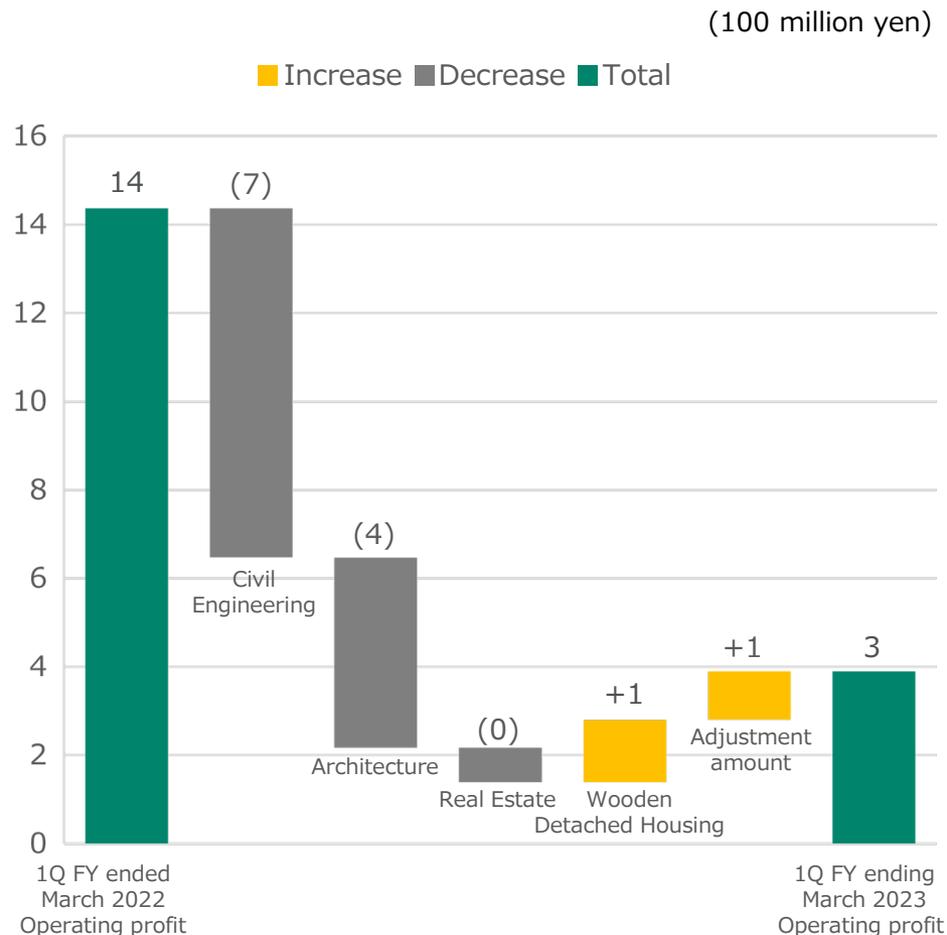
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Operating profit by segment (Consolidated)

- ◆ Civil Engineering Segment was (52.8%) YoY due to affections of an operating loss of Mirai Construction and decreasing the operating profit of Toko Geotech though Asunaro Aoki Construction increased operating profit significantly. Architecture Segment was (56.9%) YoY because Takamatsu Corporation decreased operating profit as its "gross profit %" declined and operating profit decreased due to declining net sales as each company of Takamatsu Corporation Group.

(million yen)

| By Segments | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|---|------------------------|------------------------|------------------------|-------------------------|
| Civil Engineering | 1,195 | 1,201 | 1,497 | 707 |
| Architecture | 1,023 | 1,402 | 756 | 326 |
| Real Estate | 58 | 56 | 188 | 109 |
| Wooden Detached Housing (Takamatsu House Group) | (73) | (231) | 64 | 206 |
| TCG group (Consolidated) | 1,322 | 1,407 | 1,437 | 390 |



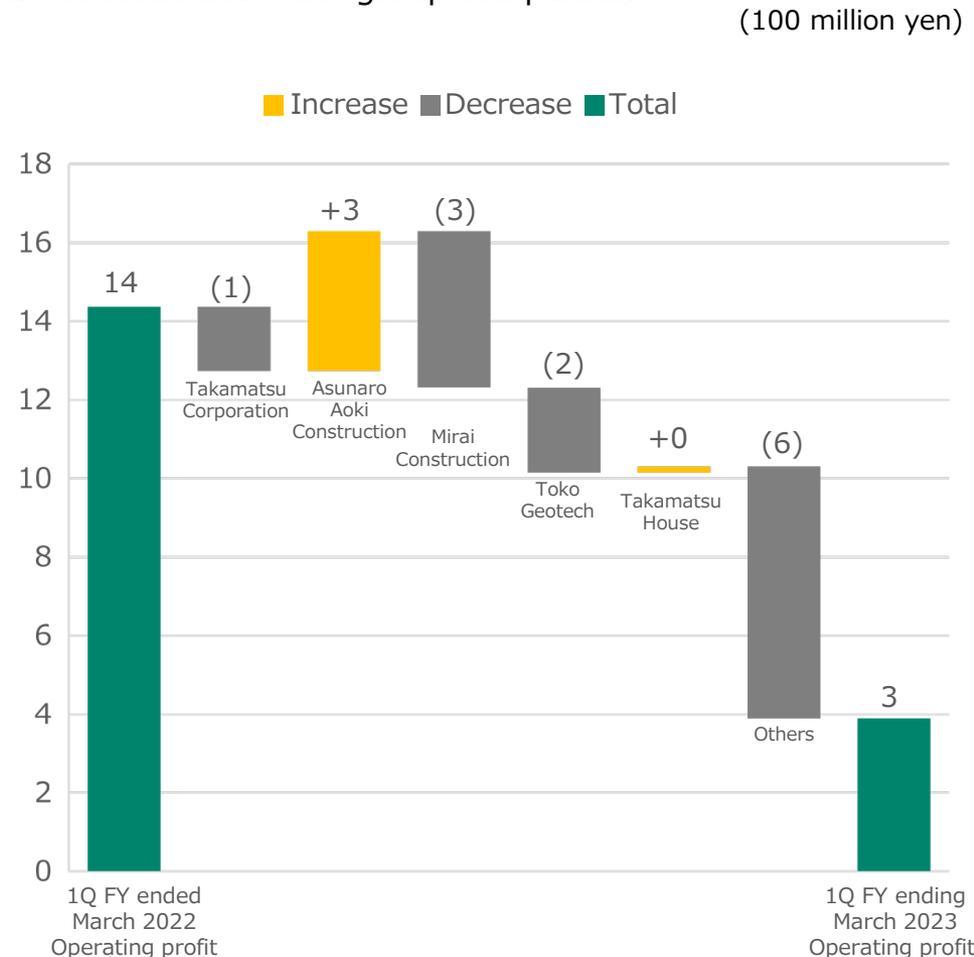
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Operating profit by Major operating companies (Consolidated)

- ◆ Asunaro Aoki Construction increased operating profit 6.5 times YoY as being strong. Also, Takamatsu House increased operating profit slightly while continuing to recruit personnel. Takamatsu Corporation decreased operating profit as its "gross profit %" declined. Operating profit of TCG group consolidated was (72.8%) YoY because it declined significantly in Mirai Construction, Toko Geotech and other group companies.

(million yen)

| By Operating Companies | 1Q FY ended March 2020 | 1Q FY ended March 2021 | 1Q FY ended March 2022 | 1Q FY ending March 2023 |
|--|------------------------|------------------------|------------------------|-------------------------|
| Takamatsu Corporation (non-consolidated) | 437 | 954 | 559 | 395 |
| Asunaro Aoki Construction (non-consolidated) | 604 | 193 | 65 | 422 |
| Mirai Construction (non-consolidated) | (231) | (48) | 150 | (249) |
| Toko Geotech (non-consolidated) | 312 | 381 | 466 | 250 |
| Takamatsu House (non-consolidated) | (6) | (76) | 67 | 83 |
| Others | 206 | 3 | 130 | (511) |
| TCG group (Consolidated) | 1,322 | 1,407 | 1,437 | 390 |



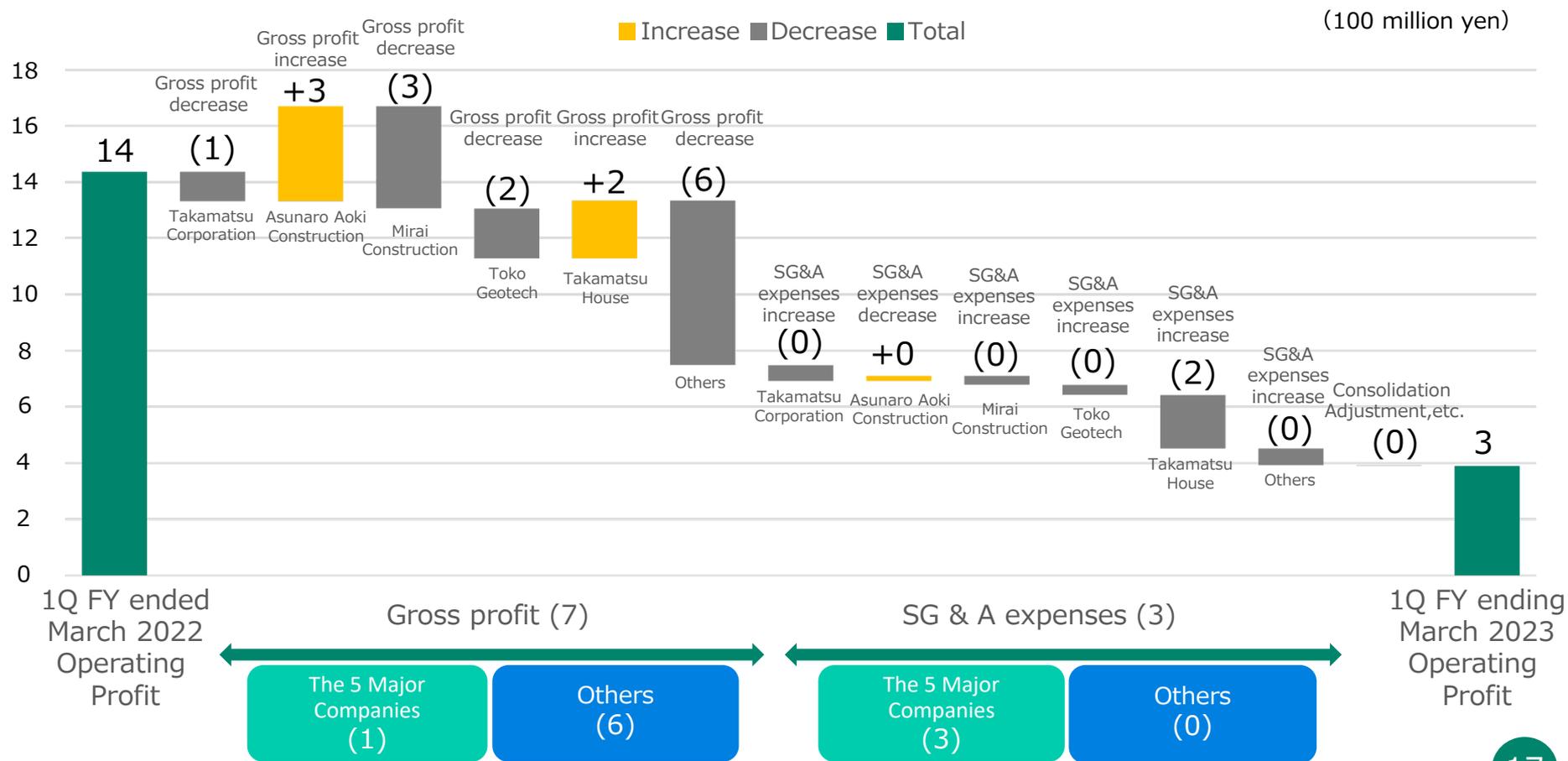
※The total of individual figures and the total figures may not match due to consolidation adjustments.

Gross profit · SG&A expenses

Analysis of Changes in Operating Profit

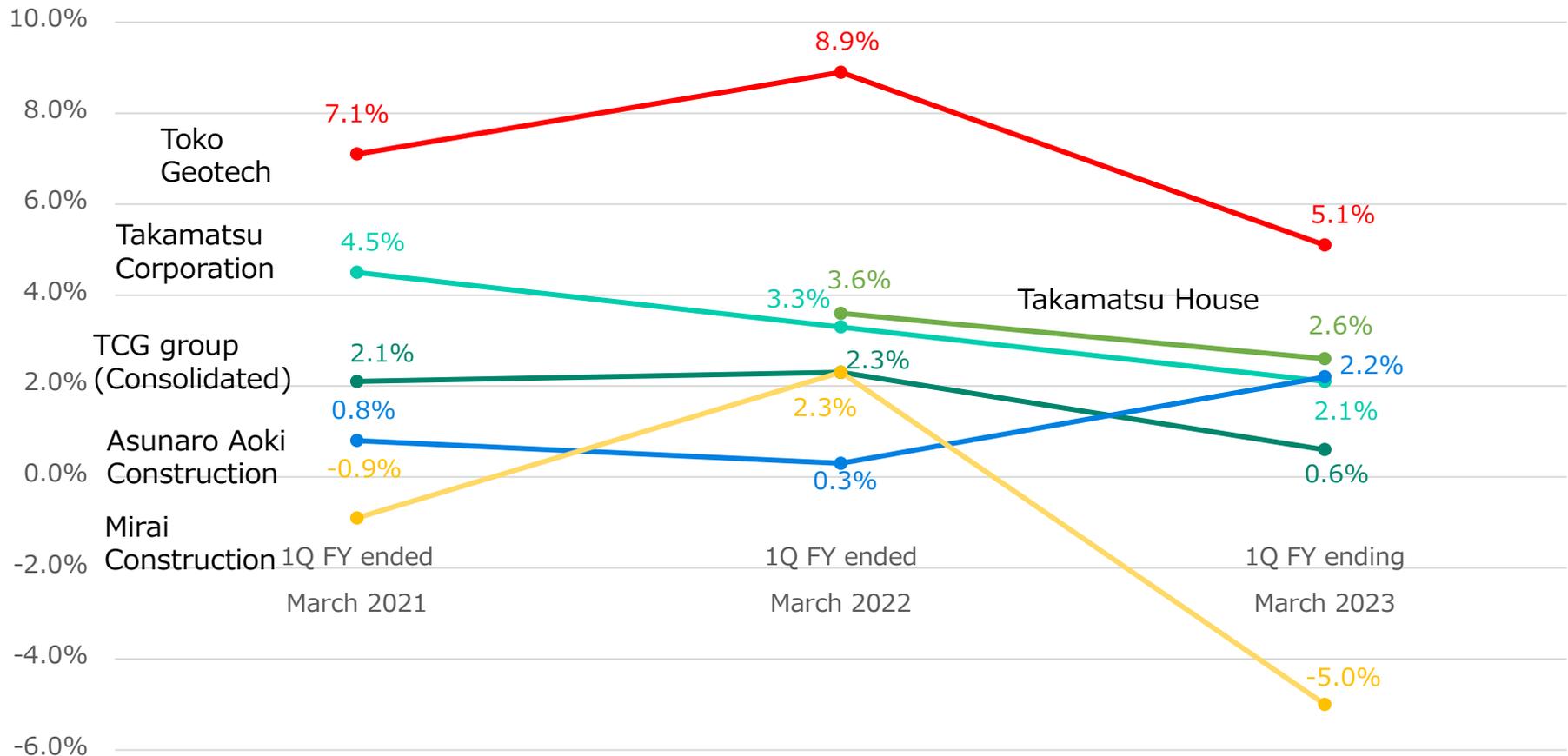
- Gross profit decreased about 0.7 billion yen YoY due to the companies except the 5 major companies decreased significantly despite the decrease in Mirai Construction and Toko Geotech's gross profit was offset by higher gross profit of Asunaro Aoki Construction and Takamatsu House. Takamatsu House increased SG&A expenses about 0.2 billion yen due to hiring personnel actively. Asunaro Aoki Construction decreased SG&A expenses slightly and Takamatsu Corporation, Mirai Construction and Toko Geotech increased slightly.

Analysis of Changes in Operating Profit



Operating profit ratio by TCG group (Consolidated) and The 5 Major Companies

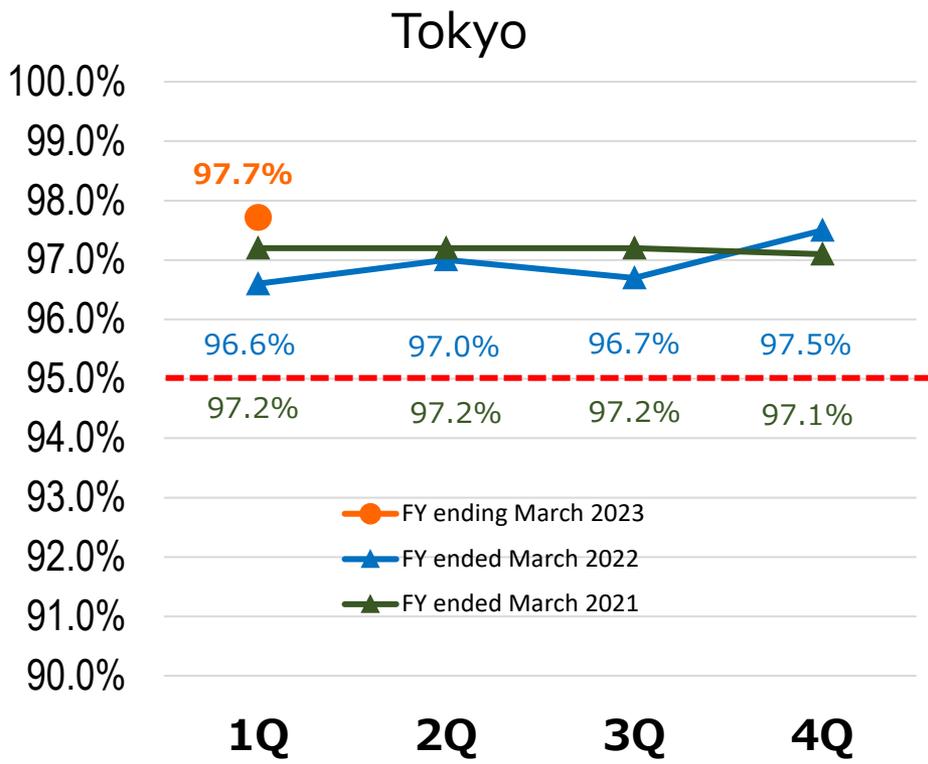
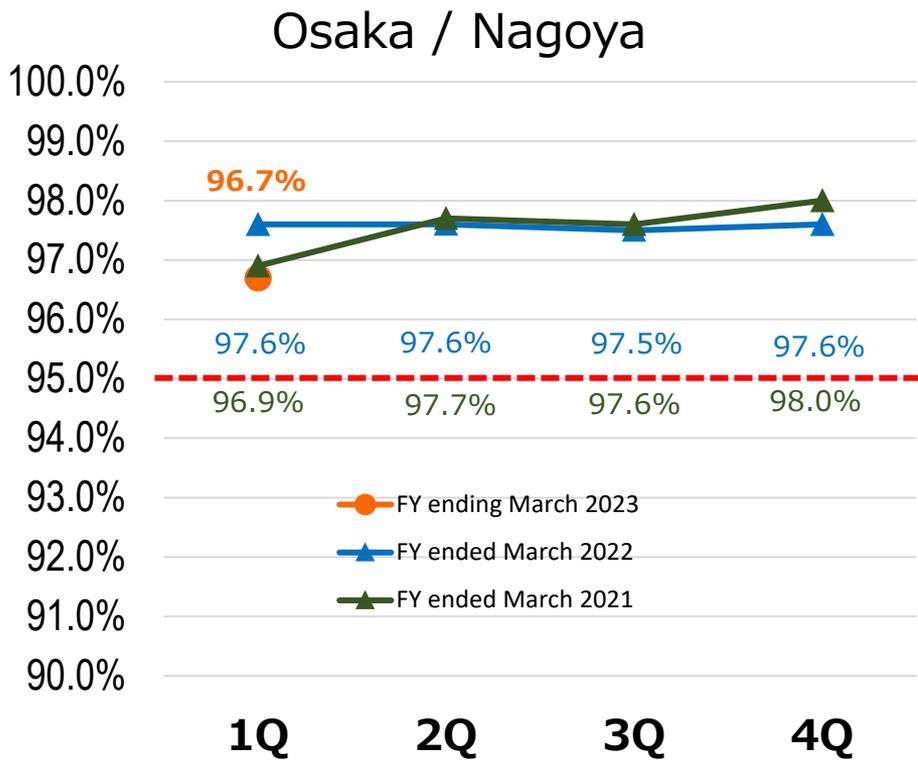
- ◆ Asunaro Aoki Construction increased 1.9pt of operating profit ratio YoY, from 0.3% to 2.2% because they increased gross profit due to some projects, both architecture and civil engineering that improved profitability upon completion, and they decreased SG&A expenses slightly.
- ◆ Takamatsu House decreased operating profit ratio due to the heavily burden of SG&A expenses because of the hiring personnel actively.



※We described Takamatsu House's operating profit ratio from FY ended March 2022 because their actual start-up FY was FY ended March 2021.

Occupancy Rate of Properties Constructed by Takamatsu Corporation at Takamatsu Estate

◆ Occupancy rates of 95% or higher have been maintained for 1Q FY ending March 2023 in both Tokyo and Osaka.

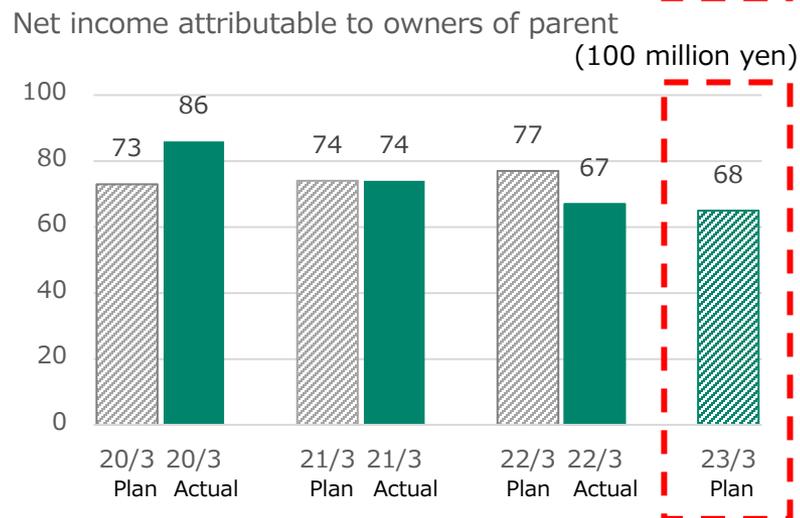
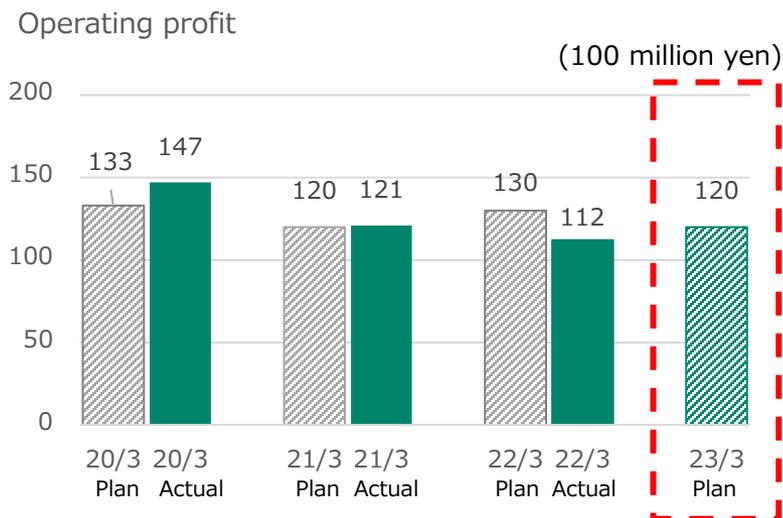
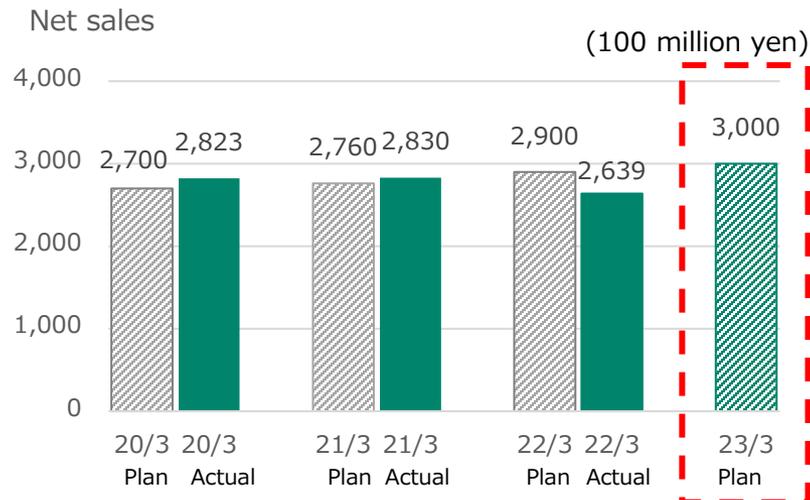
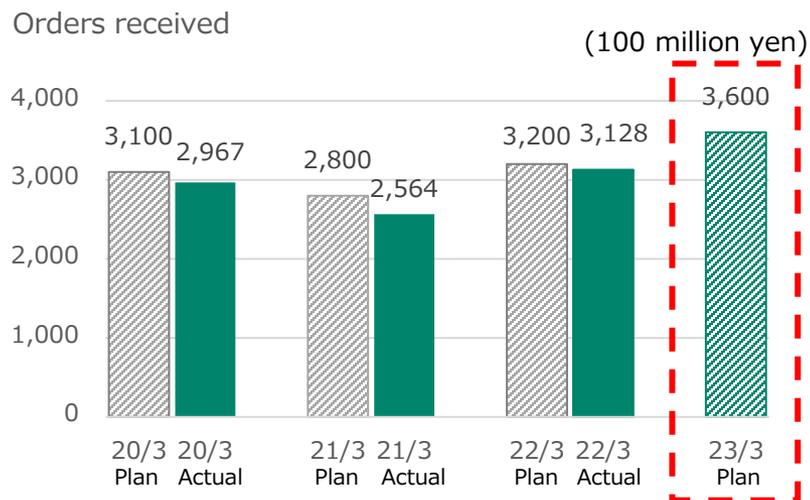


Definitions
 "Osaka/Nagoya" : Osaka, Kyoto, Hyogo, and Nagoya
 "Tokyo" : Tokyo, Kanagawa, Saitama, and Chiba
 "Occupancy rate" : Number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) that are occupied at the end of each quarter ÷ total number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) at the end of each quarter

Earnings Forecast & Dividend Forecast for FY ending March 2023

Earnings Forecast for FY ending March 2023

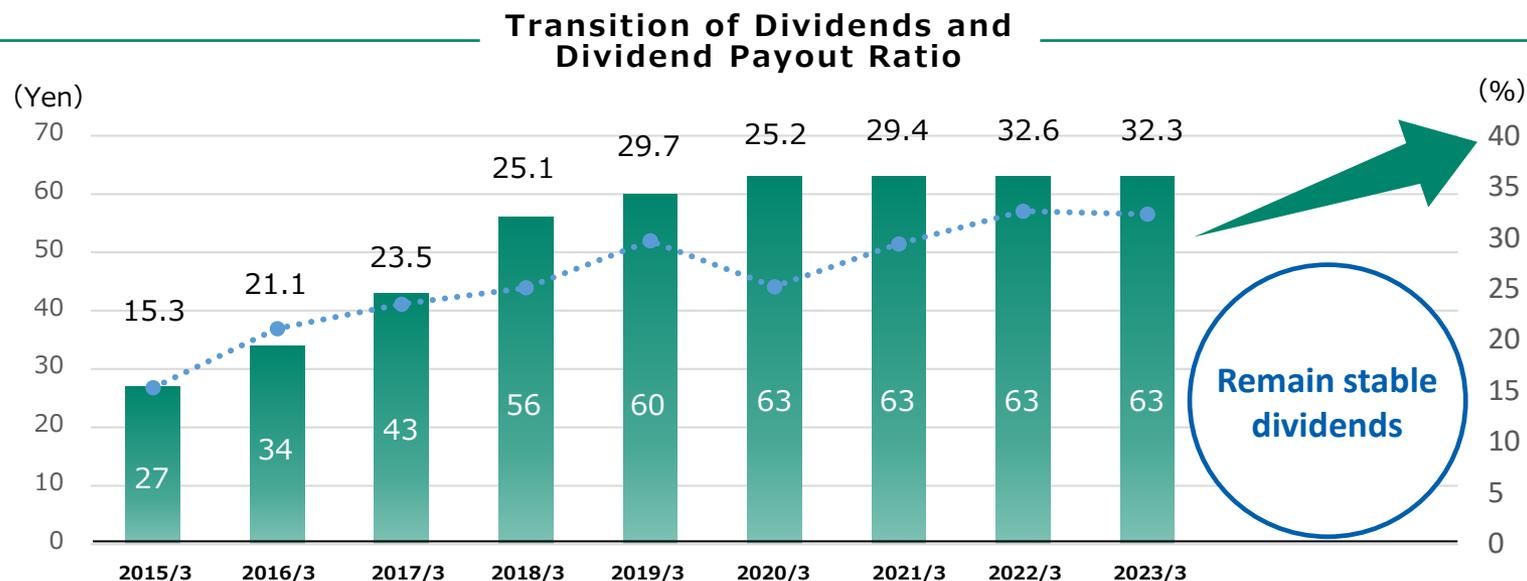
- ◆ We expect a large increase of Wooden Detached Housing Segment's orders received. And we expect Takamatsu Corporation Group's steady growth, also Civil Engineering Segment expects slight increase. We anticipate that net sales and operating profit to increase accordingly.



Earnings Forecast & Dividend Forecast for FY ended March 2022 and for ending March 2023

- ◆ We plan to pay a dividend of 63 yen per share.
- ◆ We plan to continue to pay stable dividends for the future.

| | 2015/3 Actual | 2016/3 Actual | 2017/3 Actual | 2018/3 Actual | 2019/3 Actual | 2020/3 Actual | 2021/3 Actual | 2022/3 Actual | 2023/3 Plan |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Dividend (Yen) | 27 | 34 | 43 | 56 | 60 | 63 | 63 | 63 | 63 |
| Dividend payout ratio (%) | 15.3 | 21.1 | 23.5 | 25.1 | 29.7 | 25.2 | 29.4 | 32.6 | 32.3 |



Topics

Topics

◆ Asunaro Aoki Construction

○ Ken'ou-Kennan Clean Authority waste treatment facility second term construction

- The ordering party: Ken'ou-Kennan Clean Authority (Nagasaki prefecture)
- The order receiving party at construction project: Kawasaki Heavy Industries, Asunaro Aoki Construction • Matsuo Construction • Yoshikawa Construction • Sansei Special Construction Joint Venture (JV)
※The ordering was DBO (a Design Build Operate) scheme and Asunaro Aoki Construction received its construction project as JV.
- Overview of the facility:
A waste treatment facility that energy-recovery type (converts heat from waste disposal into energy).
- The total contracted value:
39,096,640 thousand yen (Included consumption tax)
- Construction term: From May 27, 2022 to March 31, 2026
- Location: Isahaya city, Nagasaki prefecture



◆ Takamatsu House

○ MIRAKURAS Kichijoji Higashicho

- The construction was completed in Early July 2022
- 9 minutes' walk from Kichijoji station on the JR Chuuou line.
- Sales price: 128 million yen ~ 162.8 million yen
- Land area: 134.00 m² ~ 151.59 m²
- Building area: 106.50 m² ~ 120.90 m²

TCG Takamatsu Construction Group

Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document is a partial English translation of the Japanese Financial Statements which were filed with Stock Exchanges in Japan on August 9, 2022. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Additionally, these materials were created with the intention of providing reference information to be used by investors for their investment decisions, and do not constitute any sort of effort to solicit the purchase or sale of Takamatsu Construction Group stock.